



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

October 24, 2017

The Honorable G.K. Butterfield  
U.S. House of Representatives  
2080 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Butterfield:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

As the Government Accountability Office (GAO) determined, the United States Treasury is the appropriate depository for USF accounts. GAO's report (GAO-17-538) specifically stated that USAC's banking practices for the USF result in oversight and accountability risks. The report favored our planned approach, which was first discussed by GAO in its 2005 report where it advised the Commission to label universal service monies as federal funds. At that time, GAO noted that the USF should be handled in a way consistent with existing law (*see* Miscellaneous Receipts Statute, 31 U.S.C. § 3302). The Office of Management and Budget (OMB) later agreed with this determination in a 2014 communication with the FCC.

In your letter, you mention a concern from some that moving USF funds to the Treasury could allow them to be used for other purposes. I understand and appreciate your concern about the future of the USF. Please be assured that I would never condone any actions that undermine the USF's financial stability. It would be impermissible for USF monies to be spent for any purpose other than universal service. The entity holding USF funds has no effect on the Fund's status as a permanent, indefinite appropriation.

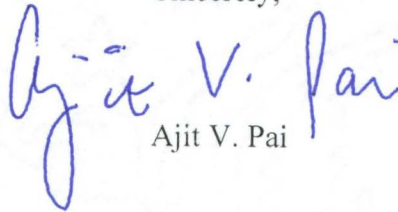
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I will continue to do everything within my power and authority to support this essential program while ensuring that it operates in an efficient manner. I am pleased that we are making

Page 2—The Honorable G.K. Butterfield

progress in effectuating the transfer to Treasury supported by GAO throughout the past decade and I look forward to completing this task within the next year.

Sincerely,

A handwritten signature in blue ink, reading "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai





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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

October 24, 2017

The Honorable Mike Doyle  
U.S. House of Representatives  
239 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Doyle:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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I will continue to do everything within my power and authority to support this essential program while ensuring that it operates in an efficient manner. I am pleased that we are making

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Sincerely,

Ajit V. Pai

Ajit V. Pai







FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2017

The Honorable Anna G. Eshoo  
U.S. House of Representatives  
241 Cannon House Office Building  
Washington, D.C. 20515

Dear Congresswoman Eshoo:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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Sincerely,

*Ajit V. Pai*

Ajit V. Pai







FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2017

The Honorable Dave Loebsack  
U.S. House of Representatives  
1527 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Loebsack:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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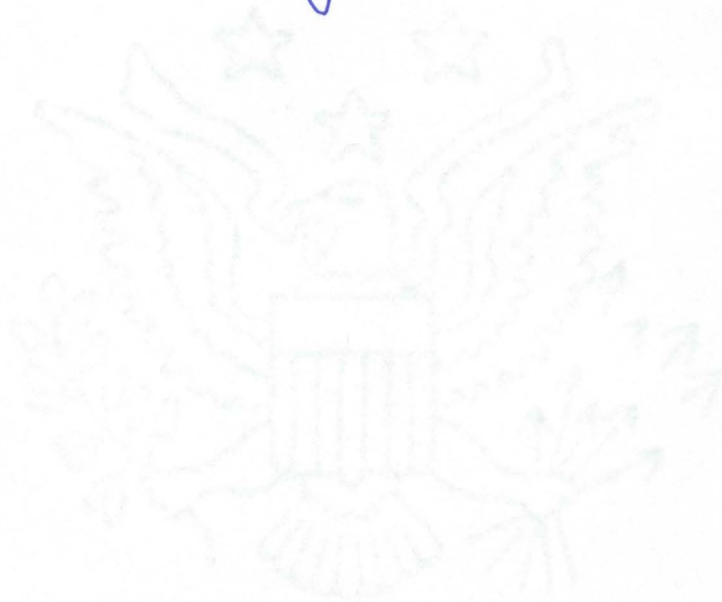
Page 2—The Honorable Dave Loebsack

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Sincerely,

*Ajit V. Pai*

Ajit V. Pai



2013





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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

October 24, 2017

The Honorable Doris Matsui  
U.S. House of Representatives  
2311 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congresswoman Matsui:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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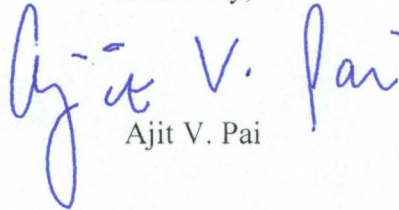
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Page 2—The Honorable Doris Matsui

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Sincerely,

Ajit V. Pai

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OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

October 24, 2017

The Honorable Jerry McNerney  
U.S. House of Representatives  
2265 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman McNerney:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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2013

Page 2—The Honorable Jerry McNerney

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*Ajit V. Pai*

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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

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October 24, 2017

The Honorable Peter Welch  
U.S. House of Representatives  
2303 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Welch:

Thank you for your letter concerning the planned transfer of Universal Service Fund (USF) monies from a private bank to the Department of Treasury. As you are aware, I am fully committed to bridging the digital divide, and the USF is an essential component of our strategy for accomplishing that goal. Consequently, I support transferring USF accounts to the United States Treasury for the simple reason that we must take all appropriate measures to secure the integrity of the USF's funding source and avoid any unnecessary risks to the program.

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